

INTERIM RESULTS FOR NINE MONTHS TO 30 SEPTEMBER 2000

NOTES TO THE ACCOUNTS

Basis of preparation

Presented consolidated financial statements for the third quarter and nine months of 2000 have been prepared under Polish accounting principles accepted by the Agora SA Group for the purposes of preparation of the accounts on the balance sheet date which are set out in the Group's 1999 statutory accounts.

Exchange

Selected financial data were converted to EURO in the following manner:

- figures of the profit and loss statement for the 3rd quarter of 2000 were converted using the arithmetical average of average exchange rates published by the National Bank of Poland for the last day of every month within the quarter, i.e. 3.9809 PLN for 1 EURO.
- figures of the profit and loss statement for the first nine months of 2000 were converted using the arithmetical average of average exchange rates published by the National Bank of Poland for the last day of every month within this period, i.e. 4.0353 PLN for 1 EURO.
- balance sheet entries were converted using the average exchange rate published by the National Bank of Poland for the last day of the quarter, i.e. 4.0195 PLN for 1 EURO.

Provisions

In the period from 1 January 2000 to 30 September 2000 there were the following changes in provisions (in brackets figures for the 3rd quarter 2000 alone):

- increase in provisions for bad debts in the amount of 3 091 thousand PLN, (2 170 thousand PLN);
- increase in provision for interest on long-term and short-term loans in the amount of 1 287 thousand PLN, (551 thousand PLN);

As at 30 September 2000 provision for deferred income taxes amounted to 9 029 thousand PLN and decreased by 324 thousand PLN compared to 1 January 2000, and in the 3rd quarter, by the amount of 1 868 thousand PLN.

In the period from 1 April 2000 to 30 September 2000 a provision of 600 thousand PLN was set up against a loan to an associated company.

Litigation

As at 30 September 2000 the Agora SA Group has not entered into litigation or have been litigated for claims or liabilities that in total exceed 10% of the Company's equity.

Form SA-QS III/2000

(quarter/year)

(for the issuer of securities providing production, building, trade or service business)

According to the § 46 section 8 of the Cabinets Decree as at 22 December 1998 - Dz.U. Nr 163, poz. 1160

Management Board Members AGORA SA

For the quarter comprising the period form: 1.07.2000 to 30.09.2000

date: 3 November 2000

SELECTED FINANCIAL DATA (current year)	'000 PLN		'000 EURO	
	3rd quarter from 1/07/2000 to 30/09/2000	cumulatively from 1/01/2000 to 30/09/2000	3rd quarter from 1/07/2000 to 30/09/2000	cumulatively from 1/01/2000 to 30/09/2000
I. Net Sale Revenue	184 966	591 761	46 463	146 646
II. Operating Profit (Loss)	39 795	160 454	9 996	39 763
III. Profit (Loss) Before Taxes	38 751	172 217	9 734	42 678
IV. Net Profit (Loss)	29 774	127 434	7 479	31 580
V. Assets (as at 30/09/2000)	1 041 624		259 143	
VI. Shareholders' Equity (as at 30/09/2000)	806 014		200 526	
VII. Number of Shares (as at 30/09/2000)	56 757 525		56 757 525	
VIII. Net Book Value per Share (in PLN) (as at 30/09/2000)	14,20		3,53	

CONSOLIDATED BALANCE SHEET '000 PLN	as at 30/09/2000 (current year)	as at 30/06/2000 (current year)	as at 30/09/1999 (prior year)	as at 30/06/1999 (prior year)
ASSETS				
I. Fixed assets	720 674	665 501	432 884	378 918
1. Intangible fixed assets	34 654	38 122	42 521	43 712
2. Consolidated goodwill	-	-	-	-
3. Tangible fixed assets	641 564	586 612	354 929	301 254
4. Financial fixed assets	44 456	40 767	35 248	33 952
- shares in entities consolidated with the equity method	-	-	-	-
5. Long-term debtors	-	-	186	-
II. Current assets	320 079	358 575	423 602	430 911
1. Inventory	19 501	18 253	18 026	15 260
2. Short-term debtors	103 714	108 633	80 430	78 156
3. Own shares for sale	-	-	-	-
4. Short-term securities	161 092	186 820	166 440	326 938
5. Cash and cash equivalents	35 772	44 869	158 706	10 557
III. Prepaid expenses and other assets	871	1 135	1 795	1 306
1. Deferred corporate income taxes recoverable	-	-	-	-
2. Other	871	1 135	1 795	1 306
Total assets	1 041 624	1 025 211	858 281	811 135

LIABILITIES AND SHAREHOLDERS' EQUITY				
I. Equity	806 014	776 240	642 226	607 042
1. Share capital	56 758	56 758	56 758	56 758
2. Outstanding share capital contributions (negative figure)	-	-	-	-
3. Reserve capital	621 109	620 658	488 240	488 212
4. Revaluation reserve	713	740	823	851
5. Other reserve capital	-	-	-	-
6. Foreign exchange rate differences on overseas branches	-	-	-	-
7. Foreign exchange rate differences on consolidation	-	-	-	-
8. Accumulated profit/(loss) from previous years	-	424	-	-
9. Profit after taxation for the financial year	127 434	97 660	96 405	61 221
II. Reserve capital from consolidation	-	-	-	-
III. Minority interest	-	-	-	-
IV. Provisions	9 029	10 897	9 578	4 798
1. Provisions for deferred tax	9 029	10 897	9 578	4 798
2. Other	-	-	-	-
V. Liabilities	204 575	218 716	197 227	185 246
1. Long-term liabilities	92 549	86 027	77 358	72 848
2. Short-term liabilities	112 026	132 689	119 869	112 398
VI. Accrued expenses and deferred income	22 006	19 358	9 250	14 049
Total equity and liabilities	1 041 624	1 025 211	858 281	811 135

CONSOLIDATED PROFIT AND LOSS '000 PLN	3rd quarter from 1/07/2000 to 30/09/2000	cumulatively from 1/01/2000 to 30/09/2000	3rd quarter from 1/07/1999 to 30/09/1999	cumulatively from 1/01/1999 to 30/09/1999
I. Net sales of merchandise and finished products	184 966	591 761	160 088	495 217
1. Net sales of finished products	183 889	588 203	159 170	492 480
2. Net sales of merchandise and materials	1 077	3 558	918	2 737
II. Cost of merchandise, finished products sold and materials	(98 241)	(283 928)	(75 835)	(237 666)
1. Cost of finished products sold	(97 466)	(281 168)	(75 006)	(235 116)
2. Cost of merchandise and materials sold	(775)	(2 760)	(829)	(2 550)
III. Gross profit on sales (I-II)	86 725	307 833	84 253	257 551
IV. Selling expenses	(19 090)	(57 154)	(12 810)	(37 558)
V. Administrative and general expenses	(24 439)	(81 378)	(25 137)	(69 769)
VI. Profit on sales (III-IV-V)	43 196	169 301	46 306	150 224
VII. Other operating revenues	899	5 122	770	2 142
VIII. Other operating expenses	(4 300)	(13 969)	(2 259)	(9 263)
IX. Profit on operating activities (VI+VII+VIII)	39 795	160 454	44 817	143 103
X. Dividends income	2 612	4 697	-	288
XI. Income from other financial fixed assets	-	-	-	-
XII. Other financial income	8 527	33 619	22 042	52 771
XIII. Financial expenses	(12 183)	(26 618)	(14 156)	(54 408)
XIV. Profit on ordinary activities (IX+X+XI+XII-XIII)	38 751	172 152	52 703	141 754
XV. Extraordinary items (XV.1. - XV.2.)	-	65	(1)	10
1. Extraordinary gains	-	66	-	11
2. Extraordinary losses	-	(1)	(1)	(1)
XVI. Goodwill amortisation	-	-	-	-
XVII. Consolidated reserve capital amortisation	-	-	-	-
XVIII. Profit before taxation	38 751	172 217	52 702	141 764
XIX. Corporate income tax	(8 977)	(44 783)	(17 518)	(45 359)
XX. Other obligatory charges	-	-	-	-
XXI. Net earnings from shares in associated entities	-	-	-	-
XXII. Minority interest share in profit	-	-	-	-
XXIII. Profit / (Loss) after taxation	29 774	127 434	35 184	96 405
Profit / (Loss) after taxation (for 12 months)	163 678		103 799	
Weighted average number of ordinary shares	56 757 525		56 757 525	
Net profit per ordinary share in PLN	2,88		1,83	

CONSOLIDATED CASH FLOW STATEMENT '000 PLN	3rd quarter from 1/07/2000 to 30/09/2000	cumulatively from 1/01/2000 to 30/09/2000	3rd quarter from 1/07/1999 to 30/09/1999	cumulatively from 1/01/1999 to 30/09/1999
A. CASH FLOW FROM OPERATING ACTIVITIES (I+/-II) - indirect method	53 537	160 480	50 985	160 158
I. Profit after taxation	29 774	127 434	35 184	96 405
II. Total adjustments	23 763	33 046	15 801	63 753
1. Profit (loss) of minority shareholders	-	-	-	-
2. Share in profit of consolidated companies, using equity method	-	-	-	-
3. Depreciation (including goodwill revaluation or capital reserve on consolidation)	15 500	38 603	10 186	29 741
4. Foreign exchange rates (gains) / losses	7 673	10 515	4 892	19 422
5. Interests and dividends	(972)	(178)	2 174	6 502
6. (Profit) / Loss on investment activity	(10 373)	(14 034)	3 703	8 874
7. Change in other provisions	-	-	-	(39)
8. Corporate income tax (disclosed in profit and loss statement)	8 977	44 783	17 518	45 359
9. Corporate income tax paid	(10 778)	(33 059)	(11 927)	(31 852)
10. Change in inventory position	(1 248)	(1 022)	(2 766)	(1 109)
11. Change in accounts receivable position	4 799	(23 223)	(2 024)	(15 712)
12. Change in short-term liabilities (except for bank credits and loans)	4 874	8 145	1 921	7 399
13. Change in interperiod settlements	(2 096)	2 690	(1 089)	(1 935)
14. Change in deferred income	112	999	(4 596)	(3 493)
15. Other adjustments	7 295	(1 173)	(2 191)	596
B. CASH FLOW FROM INVESTMENT ACTIVITIES (I-II)	(59 935)	(153 040)	97 991	(287 937)
I. Cash inflows from investing activities	277 296	544 541	386 869	1 290 722
1. Sales of intangible fixed assets	-	-	-	-
2. Sales of tangible fixed assets	286	561	15	42
3. Sales of financial fixed assets including:	-	-	-	-
- in subsidiaries	-	-	-	-
- in associates	-	-	-	-
- in parent company	-	-	-	-
4. Sales of short-term securities	275 711	539 684	386 685	1 290 199
5. Long-term loans repaid	-	34	141	141
6. Dividends received	1 299	3 384	-	288
7. Interest received	-	5	3	25
8. Other	-	873	25	27
II. Cash outflows from investing activities	(337 231)	(697 581)	(288 878)	(1 578 659)
1. Purchase of intangible fixed assets	(242)	(3 499)	(16)	(2 182)
2. Purchase of tangible fixed assets	(89 706)	(220 886)	(33 138)	(67 981)
3. Purchase of financial fixed assets including:	(943)	(2 227)	(50)	(471)
- in subsidiaries	(24)	(1 308)	(50)	(271)
- in associates	(918)	(918)	-	(200)
- in parent company	-	-	-	-
4. Purchase of own shares	-	-	-	-
5. Purchase of short-term securities	(245 108)	(466 950)	(227 278)	(1 451 259)
6. Long-term loans granted	(905)	(4 019)	(318)	(2 053)
7. Dividends paid to minority shareholders	-	-	-	-
8. Other expenses	(327)	-	(28 078)	(54 713)
C. CASH FLOW FROM FINANCIAL ACTIVITIES (I-II)	(2 699)	(3 215)	(827)	279 365
I. Inflows from financial activities	-	-	1	379 756
1. Long-term bank credits and loans received	-	-	1	1
2. Issue of bonds and other long-term debt securities	-	-	-	-
3. Short-term bank credits and loans received	-	-	-	-
4. Issue of bonds and other short-term debt securities	-	-	-	-
5. Inflows from own shares issued	-	-	-	379 755
6. Capital payments	-	-	-	-
7. Other	-	-	-	-

II. Cash outflows from financing activities	(2 699)	(3 215)	(828)	(100 391)
1. Long-term bank credits and loans repaid	-	-	-	-
2. Redemption of bonds and other long-term securities	-	-	-	-
3. Short-term bank credits and loans repaid	-	-	-	(77 418)
4. Redemption of bonds and other short-term debt securities	-	-	-	-
5. Expenses related to shares and bonds issues	-	-	-	(18 760)
6. Redemption of shares	-	-	-	-
7. Dividends and other payments to shareholders	-	-	-	-
8. Payments to members of the Company's governing bodies	-	-	-	-
9. Charitable contributions	(295)	(811)	(95)	(482)
10. Payments of liabilities related to finance lease agreements	-	-	-	-
11. Interest paid	-	-	(733)	(3 731)
12. Other expenditures	(2 404)	(2 404)	-	-
D. NET CASH FLOWS, TOTAL (A+/-B+/-C)	(9 097)	4 225	148 149	151 586
E. CHANGE OF CASH POSITION IN BALANCE SHEET	(9 097)	4 225	148 149	151 586
- including change in cash position due to foreign exchange differences	-	-	-	-
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	44 869	31 547	10 557	7 120
G. CASH AND CASH EQUIVALENTS AND THE END OF THE FINANCIAL YEAR (F+/- D)	35 772	35 772	158 706	158 706

Off balance sheet liabilities '000PLN	as at 30/09/2000 (current year)	as at 30/06/2000 (current year)	as at 30/09/1999 (prior year)	as at 30/06/1999 (prior year)
a) total value of guarantees given	9 520	9 520	-	-
- to subsidiaries	-	-	-	-
- to associates	9 520	9 520	-	-
- to parent company	-	-	-	-
- to other entities	-	-	-	-
b) other	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total off balance sheet liabilities	9 520	9 520	-	-

Signatures of the Management Board Members:

Wanda Rapaczynski - The President
Piotr Niemczycki - The Vice-President
Helena Luczywo - Board Member
Zbigniew Bąk - Board Member

date: 3 November 2000

**Signature of the person responsible
for keeping the accounting records**

Hanna Kossowska

date: 3 November 2000